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5 January 1959



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CENTRAL INTELLIGENCE BULLETIN



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5 JANUARY 1959

I. THE COMMUNIST BLOC

Supplementary GMIC Statement on
2 January Soviet lunar probe.

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II. ASIA-AFRICA

Iraq - Street clashes between Communists and nationalists continue; some armed forces personnel reportedly participate in Communist demonstration.

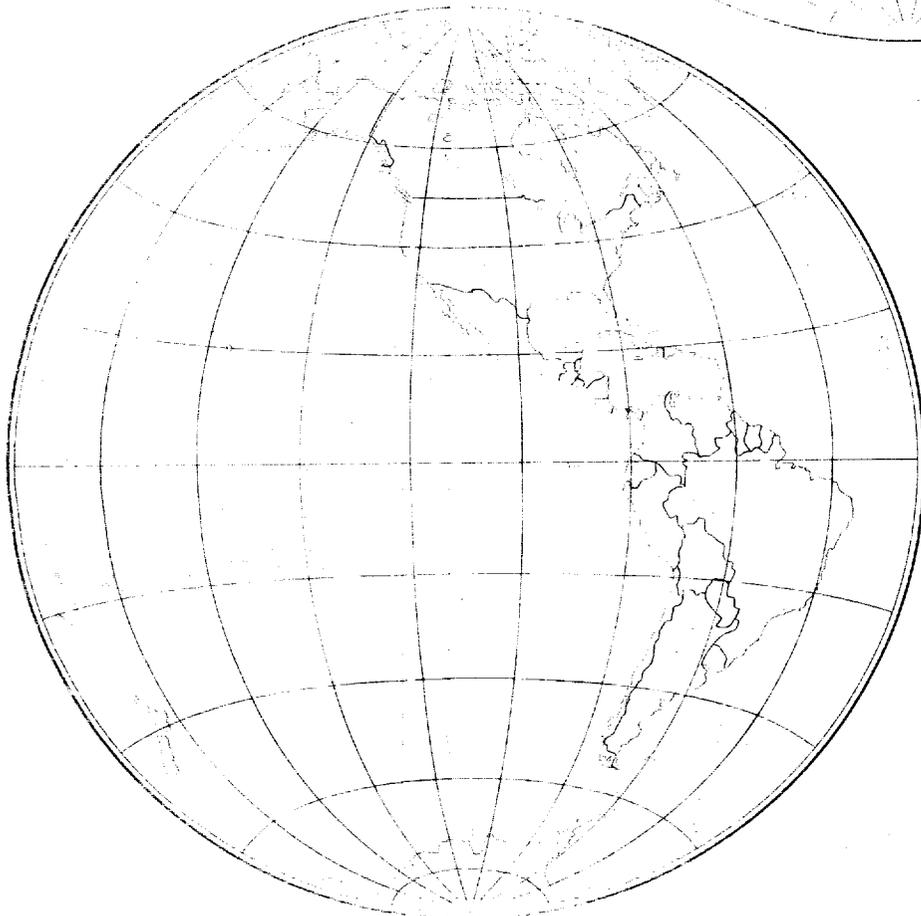
②

Morocco - Anti-Istiqlal dissident elements step up activities.

③

Pakistan - Finance Minister Shoalb's program to place finances on sound basis still faces difficulties despite cancellation of submarine purchases.

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CENTRAL INTELLIGENCE BULLETIN

5 January 1959

DAILY BRIEF

SIRAB

I. THE COMMUNIST BLOC

Supplemental GMIC Statement on Soviet lunar probe:
The Guided Missile Intelligence Committee made the following statement at 1600 EST, 4 January 1959:

The claimed success of the Soviet lunar probe which was launched from the Tyura Tam Missile Test Range (TTMTR) at 1141 EST, 2 January 1959, [redacted]

NO

[redacted] There is no reason to doubt the Soviet statements that the vehicle passed within about 4,660 miles of the moon at 2159 EST on 3 January, and there is evidence that it is now becoming a man-made planet of the sun.

This is the first successful lunar probe in a Soviet program which probably included at least three previous firings. These firings occurred on 23 September, 11 October, and 4 December 1958.

The variety and extent of scientific data reportedly being collected enroute is indicative of a very sophisticated space laboratory. [redacted]

II. ASIA-AFRICA

NO

Iraq: Street clashes between Communists and nationalists are continuing. The Communists have been staging street demonstrations, apparently as a show of strength to intimidate the populace. The Communists have been making efforts recently to increase their support in the Iraqi armed forces, and [redacted] a Communist demonstration on 2 January included 200 members of the

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army and air force. Several recent reports suggest that Premier Qasim's speech on 6 January, Iraqi Army Day, will be an important statement of foreign and domestic policy, and may include announcements on government re-organization, cabinet changes, and Iraq's intention to withdraw from the Baghdad Pact. [redacted] (Page 1)

No
Morocco: Anti-Istiqlal dissident elements, consisting mainly of Berber tribesmen in the Rif and Middle Atlas regions of northern Morocco, appear to have stepped up both the pace and boldness of their activities. Troops suspect of sympathizing with the local population in the areas most affected by Berber violence have been replaced by other royal army elements. [redacted]

[redacted] (Page 3)

No
Pakistan: Karachi's apparent decision to cancel its planned purchases of three submarines from the United Kingdom indicates the new government is giving priority to Finance Minister Shoaib's policies to place the country's finances on a sound basis. Shoaib informed US officials in December that President Ayub had given him virtual veto powers over government expenditures, and that he is determined to eliminate deficit financing by reducing government expenditures and raising taxes on the heretofore privileged agricultural sector. It is not certain, however, that Ayub will continue to support Shoaib in the face of pressures from other government officials for increased spending.

[redacted] (Page 5)

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I. THE COMMUNIST BLOC
No Back-up Material.

II. ASIA-AFRICA

Developments in Iraq

Street clashes between Communist and nationalist groups in Iraq are continuing. The Communists have been staging demonstrations, apparently in a show of strength to intimidate the nationalists and other potential sources of opposition. They appear to be gaining support in the Iraqi armed forces.

[redacted] the Communist party had staged a demonstration that day in Baghdad honoring 29 of its members killed in recent clashes with the nationalists, in which 200 army and air force personnel and about 3,000 women took part. The nationalists are reported to have canceled plans for a show of armed strength in Baghdad on the same day but the threat of increasingly serious clashes remains. The Turkish ambassador to Iraq stated recently that the senior Iraqi officers are mostly moderate nationalists, while the younger officers are largely pro-Nasir. He claimed that there are few Communist officers, but that their number is growing and that Premier Qasim's influence in the army is declining. He said he believes Communists among the senior officers include Air Force chief Awqati, and Farid Dhia, chief of operations on the Army General Staff.

Several recent reports suggest that Premier Qasim's speech on 6 January, Iraqi Army Day, will be an important statement of foreign and domestic policy and may include announcement of cabinet changes, reallocation of authority within the government, and possibly the intention to withdraw from the Baghdad Pact.

[redacted] the demoralization of nationalist cabinet ministers Foreign Minister Jomard and Minister of State Rikabi, and their awareness that their removal from the cabinet might be imminent. Another indication of a possible cabinet change is the return to

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Baghdad on 26 December, from self-imposed absence in Beirut, of Social Affairs Minister Brigadier Naji Talib, who reportedly plans to resign. Talib's prolonged stay in Beirut for treatment of his heart trouble is believed to have been induced in part by his opposition to Qasim's policies. [redacted]

[redacted] Foreign Minister

Jomard had again attempted to resign on 26 December, and that Jomard and at least four other nationalist cabinet members were considering resignation in the hope of persuading Qasim to reduce his reliance on the Communists. Qasim is attempting to stall these maneuvers, however, while the nationalist ministers appear wary of forcing a showdown with Qasim. [redacted]

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Moroccan Dissidents Step Up Activities

[Predominantly Berber elements in northern Morocco hostile to the dominant Istiqlal party--and especially to its left wing which took over the premiership and other important posts in the cabinet invested on 24 December--appear to have stepped up both the pace and the boldness of their dissident activities. Istiqlal's principal newspaper, Al Alam, has in recent days carried an increasing number of articles concerning violent incidents, and on 2 January it asserted that "many attacks" have been perpetrated against party offices and personnel as part of a foreign-supported plot against the party.]

[Concerned but apparently undaunted by this increasingly serious security problem, Premier Ibrahim's government has so far pursued an uncompromising, even provocative, course which could precipitate an early showdown between the contending forces. Immediately after its investiture a former Berber governor of an outlying province, who was forcibly removed and arrested in January 1957 for defying orders from Rabat and leading an abortive anti-Istiqlal revolt, was finally brought to trial. This led in turn to accusations that the chief "plotter" in the 1957 affair--which Istiqlal leaders claim was supported by France--was another and much more important Berber leader, Lahcen Lyoussi, a partisan of King Mohamed V and a crown counselor until his resignation was forced two weeks ago. The King, however, appears to have been fully aware of Lyoussi's complicity in the affair and, moreover, to have deliberately permitted him to leave Rabat following his resignation and to take refuge among his tribal followers in the Middle Atlas region. This action, coupled with the King's apparent protection of two other anti-Istiqlal leaders implicated in the present Berber dissidence, may hasten a reckoning between Mohamed V and republic-minded Istiqlal extremists.]

[Meanwhile, elements of the royal army suspected of sympathizing with the local populations in the disaffected areas have been replaced by other, non-indigenous troops,

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[are reports that a decision has been taken to suppress the dissidents by force. However, the King, who still controls the army through Chief of Staff Crown Prince Moulay Hassan, has thus far endeavored to keep the use of troops to a minimum and would probably be reluctant to sanction drastic military action except as a last resort. If a major tribal revolt should develop, it is doubtful that the army could suppress it without assistance.]

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Pakistani Government Apparently Placing High Priority on Economic Progress

[Karachi's apparent decision to cancel its planned purchase of three submarines from the United Kingdom indicates that the new government is giving priority to Finance Minister Shoaib's policies aimed at placing the country's finances on a sound basis. This support increases the prospects for economic progress in Pakistan, but it is not certain that Ayub will continue to back Shoaib in the face of pressures from other government officials for additional spending. The decision on the submarines was forecast by Shoaib in December when he informed US officials that President Ayub had given him virtual veto power over government expenditures.]

Shoaib, one of Pakistan's ablest economists, believes that the first task facing the government is to halt inflation by ending deficit financing. He is determined to reduce government expenditures and increase tax revenues enough to accomplish this. He plans to raise taxes on the heretofore privileged agricultural sector, and told US officials on 2 January that the government's crackdown on income tax violators had already yielded \$50,000,000 in back taxes and should reduce tax evasion in the future. If the government succeeds in halting inflation, the competitive position of Pakistan's exports will be considerably improved, thereby easing the foreign exchange shortage.

The government has yet to make a basic decision, however, on the policies it will follow to increase agricultural and industrial production. There is a conflict between those in the government who are inclined to favor a controlled economy and those --led by Shoaib--who favor placing primary reliance on incentives to increase production. While the final decision on this issue is likely to be a compromise, the extent to which the government has followed Shoaib's advice to date suggests that basically sound policies will be adopted.

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Director of the Budget

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Special Assistant for Security Operations Coordination

Board of Consultants on Foreign Intelligence Activities

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The Treasury Department

The Secretary of the Treasury

The Department of State

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The Under Secretary of State

The Under Secretary of State for Economic Affairs

The Deputy Under Secretary for Political Affairs

The Deputy Under Secretary for Administration

The Counselor

Director, International Cooperation Administration

The Director of Intelligence and Research

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Chief of Staff, United States Air Force

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Director for Intelligence, The Joint Staff

Assistant Chief of Staff for Intelligence, Department of the Army

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